GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Municipal Administration & Urban Development Department – Swachh Andhra Corporation – Borrowing a loan of Rs.500.00 Crores from the Financial Institutions with guarantee by Government of A.P., towards construction of 12.5 lakh IHLs under SBM and 2.5 lakh IHLs under MGNREGs – Permission-Accorded.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (BUDGET) DEPARTMENT

G.O.MS.No. 425 **Dated: 07-12-2017**
Read:-

Finance. U.O. No:22029/2/DM/2017 dated:13-07-2017.

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O R D E R:

The Managing Director, Swachh Andhra Corporation, Vijayawada has informed that the Swachh Bharat Mission (SBM) was launched on 2nd October, 2014 to fulfill the vision of a cleaner India by 2nd October, 2019 as a tribute to Mahatma Gandhi on his 150th birth anniversary. The Swachh Bharat Mission consists of components like construction of individual household toilets, community and public toilets and waste management. Ministry of Urban Development (MoUD) is in charge of the Swachh Bharat Mission (Urban) and Ministry of Drinking Water and Sanitation (MDWS) is in charge of Swachh Bharat Mission (Gramin) and the overall mission is coordinated by MDWS.

2. In the recent Districts Collectors Conference held at Vijayawada, the Hon'ble Chief Minister of Andhra Pradesh has directed that to achieve ODF status for the entire State of Andhra Pradesh by the end of the year 2018. Further, that Swachha Andhra Corporation Limited may take up this task and work in that direction and if there is any shortage of funds for this very important scheme, financial institutions may be approached for loans.

3. The Managing Director, Swachh Andhra Corporation has further informed that the Swachha Andhra Corporation Limited has no strong financial credentials, it may not be possible for it to get loans sanctioned from any Financial Institution on its own. Hence it is necessary that the State Government may extend its guarantee for the loan to be obtained from Financial Institutions and also budgetary support for the repayment of the **loan and interest on the loan.**

4. About 34.20 lakh toilets are yet to be constructed and as per targeted date of declaring the State as ODF by 02.10.2019, it is decided to take up 12.5 lakhs toilets under SBM (G) and 2.50 lakhs toilets under MGNREGS and the balance toilets during 2018-19 to declare the State as ODF. During the year 2017-18, it is proposed to complete 12.5 lakh IHLs under SBM and 2.5 lakh IHLs under MGNREGS. The amount required would be Rs.1080.00 Crores by GoAP and Rs.1170.00 Crores by GoI.

(P.T.O)

5. It is expected to receive about Rs.650.00 Crores from GoI and Rs.700.00 Crores from the State Government. Therefore, initially the Swachh Andhra Corporation may go for a loan of Rs.500.00 Crores to bridge the gap and may plan for further borrowing depending on the progress of work and receipt of funds.

6. The Managing Director, Swachh Andhra Corporation has requested the Government to accord necessary permission to the Managing Director, Swachh Andhra Corporation to approach Financial Institutions for borrowing loan to a tune of Rs.500.00 Crores and to provide guarantee by the Government with necessary budgetary support for repayment.

7. The Government after careful examination of the matter, hereby provide unconditional and irrevocable Government Guarantee for the **principal loan amount of Rs.500.00 Crores and interest** to be taken by Swachh Andhra Corporation from the Financial Institutions for construction of individual household toilets in the State to achieve ODF status for the entire State of Andhra Pradesh by the end of the year 2018 at the lowest rate of interest from open market. The rate of interest in any case shall be less than or equal to annual MCLR of 8%.

8. The Managing Director, Swachh Andhra Corporation is directed to approach Finance Department with the terms and conditions of the Loan Agreement with the financial institutions/Banks.

9. The Managing Director, Swachh Andhra Corporation, Vijayawada is directed to pay the 2% guarantee Commission to the Government to invest the same in Guarantee Redemption Fund and furnish the physical copy of the Guarantee deed to Finance Department for signature.

10. This order issues with the concurrence of Finance (DM) Department vide their U.O.No. 22029/2/DM/2017, Dt. 4-12-2017.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, Swachh Andhra Corporation , A.P., Vijayawada.

Copy to:

The Director of Municipal Administration, A.P., Guntur.
The Accountant General, A.P., Hyderabad.
The O.S.D. to Spl.Chief Secretary to Hon'ble C.M.
The O.S.D. to Hon'ble Minister (MA&UD).
The P.S. to Prl. Secretary to Govt., MA & UD Dept.
The Panchayat Raj and Rural Development Department.
The Finance (DM) Department.
The General Administration (Cabinet) Dept.
SF/SCs.

// FORWARDED :: BY ORDER //

SECTION OFFICER